



2005 SEP 12 AM 10:26

September 7, 2005

P.O. Box 290

501 Main St.

Scott City, KS 67871

FDIC San Francisco Regional Office
Director John F. Carter
25 Jessie Street at Ecker Square
Suite 2300
San Francisco, CA 94105

Director Carter,


The purpose of this letter is to urge your denial of Wal-Mart's application for deposit insurance for its proposed ILC. My concerns are mainly threefold: 1) Mixing banking and commerce 2) Concentration of economic power, and 3) Regulatory implications.

Should Wal-Mart be allowed to enter mainstream banking, it will be very difficult to gauge the full ramifications of that event. If the past is any indication, Wal-Mart will use their leverage in a manner that will benefit Wal-Mart's best interest to the fullest extent allowed. Will distributors be required to be paid into their Wal-Mart account? Will suppliers be required to use Wal-Mart financing? Will customers be required to use Wal-Mart debit/credit cards? The Gramm-Leach-Bliley Act recognized the inherent danger of mixing banking and commerce and addressed that concern.

Wal-Mart has enormous economic power. Should Wal-Mart be allowed into banking, Wal-Mart could selectively use this clout to out compete one area of the country after another. By paying a little more for deposits and a charging a little less for loans, a colossus like Wal-Mart could cause a devastating devaluation in a bank valuations. Would competitors in small communities be then forced to finance their operations via their main competition?

Lastly, how on earth would any regulatory body be able to effectively regulate each and every Wal-Mart banking branch from coast to coast? It seems highly unlikely to me that Wal-Mart would be examined with the same efficiency as we are.

In short, this Pandora's box must remain closed. There is no overriding reason nor compelling public good that will be met by allowing Wal-Mart into banking or granting Wal-Mart deposit insurance.

Sincerely yours,

Skip Numrich, President

Phone: (620) 872-2143

Fax: (620) 872-7020

www.fnbscott.com

